City, Village, and Township Revenue Sharing (CVTRS)
&
County Incentive Program (CIP)

Accountability and Transparency
Frequently Asked Questions (FAQs)

1. General

1-1.   Does a local unit have to use the templates provided on Treasury's website?

- The Accountability and Transparency templates that are available on Treasury's website can be used by local units to assist in preparing compliance with Accountability and Transparency. Local units do not have to use these templates. The templates are available to assist local units if they so choose. Local units have the option to create the required Accountability and Transparency documentation in a manner best suited for the local unit.

1-2.   BS&A provides two reports, the Financial Summary and Municipal Performance Dashboard, do these fulfill the requirements of the Citizen's Guide and Performance Dashboard portions for Accountability and Transparency?

- A local unit may use any format as long as all the requirements are being met. Treasury accepts any format a local unit chooses to use.

1-3.   Do Munetrix reports fulfill the requirements for Accountability and Transparency?

- A local unit may use any format as long as all the requirements are being met. Treasury accepts any format a local unit chooses to use.

1-4.   Is it necessary to have printed copies available to local citizens? Or, is the website publication sufficient to meet CVTRS/CIP requirements?

- A local unit must make the required documents available for public viewing either in the clerk's office or posted on a publicly accessible Internet site. It is up to the local unit to decide which method(s) they would like to use to make the information available to their citizens. A local unit may choose to provide the required Accountability and Transparency documentation in multiple formats.

- In addition, a local unit must include in any mailing of general information to its citizens, the physical location or Internet website address where the required documents are available for viewing.

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NEW

1-5. What is meant by "mailing of general information"?

- A "mailing of general information" is any mailing that is mailed to the citizens of the local unit and communicates the overall news and events of the local unit. It does not include mailings that deal with a specific topic (i.e. tax bills, sewer bills, dog licenses, etc…) or that are mailed to a portion of the local unit's citizens.

1-6. If all of the required information is available on the local unit's website, does the local unit need to submit anything to Treasury?

- Yes, a local unit must submit all components, Citizen's Guide, Performance Dashboard, Debt Service Report, Projected Budget Report, and signed certification form, to Treasury by the due date. A local unit must also have all the documents listed above, except the certification form, publicly available for citizens to view.

2. Citizen's Guide

2-1. A local unit uploads their F65 information to Treasury's Local Audit and Finance Division, when will the State's F65 Citizen's Guide download contain the most recent information?

- The State's F65 Citizen's Guide download could contain fiscal year (FY) 2013 and FY 2014 financial information or FY 2104 and FY 2015 financial information. The fiscal years available will depend on when the local unit's fiscal year ends and whether or not the local unit has uploaded the information into the F65 system.

2-2. If a local unit's audit will not be completed before the CVTRS/CIP due date, can the local unit submit a Citizen's Guide with the same financial information as submitted last year?

- Yes, if that is the most recent financial information available. However, audited financial information is not required.

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2-3.   Where does a local unit report unfunded liabilities?

- Unfunded liabilities need to be reported on the Citizen's Guide. However, it may be beneficial to also include the unfunded liabilities on the Performance Dashboard.

2-4.   If a local unit does not have unfunded pensions or other post-employment benefits (OPEB), is it sufficient to leave that information blank or hide the lines?

- No, a local unit must indicate with a note, on the Citizen's Guide, stating the local unit has no unfunded pensions or other post-employment benefits (OPEB).

- For Treasury's template, a note can be inserted, in the Commentary box of the "Obligations" tab, stating the local unit has no unfunded pensions or other post-employment benefits (OPEB).

2-5.   A local unit's actuarial reports are not yet available for the most recent year. What information should be used for the current year?

- A local unit may do either of the following:

    o Estimate the information from prior years' actuarial reports; or

    o Include a Note, in the Commentary box of the "Obligations" tab on Treasury's template, indicating that the actuarial report has not been completed.

2-6.   How many years should be presented on the Citizen's Guide?

- It is recommended that the Citizen's Guide has, at a minimum, two years of financial information.

2-7.   How should a local unit show, on Treasury's Citizen's Guide template, that no debt exists?

- A local unit should indicate with a note, in the Commentary box of the "Obligations" tab, stating no debt exists.

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2-8.   Does the Financial Summary on BS&A's website fulfill the Citizen's Guide requirement?

- As long as all of the CVTRS/CIP requirements are being met, BS&A's Financial Summary is an acceptable submission for the Citizen's Guide. However, a local unit must include the Revenues, Expenditures, Financial Position, and Obligations for the local unit.

3. Performance Dashboard

3-1.   If a metric on Treasury's Performance Dashboard template does not apply to a local unit, what should a local unit do?

- A local unit can hide, delete, or change lines that will not be used. Additionally, local units are encouraged to add additional metrics that are deemed beneficial for the citizens.

3-2.   How many years should be presented on the Performance Dashboard?

- For comparison purposes, use a minimum of two years.

3-3.   On Treasury's Performance Dashboard template, does the Debt Burden Per Capita metric include revenue bond debt from water and sewer funds?

- It is up to the local unit's discretion. The purpose of the Performance Dashboard is to provide useful information to citizens. The law allows a local unit the flexibility to decide what to include in each metric.

3-4.   Does the Municipal Performance Dashboard on BS&A's website fulfill the Performance Dashboard requirement?

- As long as all of the CVTRS/CIP requirements are being met, BS&A's Municipal Performance Dashboard is an acceptable submission for the Performance Dashboard. However, a submission of a local unit's BS&A homepage does not meet the requirements for CVTRS/CIP.

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4. Debt Service Report

4-1.   What is required for the Debt Service Report?

- The law requires each local unit to provide a detailed listing of the annual payment amounts for each **separate** debt obligation until maturity or repayment is complete. The law also requires the name of the debt, the issuance amount, issuance date, type of debt instrument, and a listing of all revenues pledged to finance debt service by debt instrument.

4-2.   Does a local unit need to report debt service requirements for all funds?

- A local unit must submit ALL debt service obligations in ANY fund that the local unit is responsible for.

4-3.   What is meant by debt instrument?

- A debt instrument is any obligation to repay a debt. Types of debt instruments include, but are not limited to, notes, bonds, certificates, mortgages, loans, leases, or other agreements between a lender and a borrower.

4-4.   What is intended for the "listing of all revenues pledged to finance debt service by debt instrument"?

- A local unit must include where the revenue is coming from to repay the debt. For example: A sewer bond is being repaid using revenue generated in the sewer fund.

- On Treasury's Debt Service Report template, this requirement is titled "Repayment Source(s)".

4-5.   What is intended for the "listing of the annual payment amounts until maturity"?

- The annual payment amounts include principal and interest, and can be presented as either a summation or two separate amounts.

- Annual payment amounts must be listed until the debt reaches maturity or is paid in full.

4-6. Can a local unit submit debt schedules from the back of the annual financial statements?

- Yes, as long as each debt is listed separately and includes all annual payment amounts until maturity or the debt is paid in full, the issuance date, issuance amount, type of debt instrument, and the repayment source(s).

- If any of the required information is missing, the information must be added as an addendum.

4-7. Is it acceptable to submit summary years (example: 2015-2020)?

- No, each year must be listed separately.

5. Projected Budget Report

5-1. Is there a definition of "budget" as it relates to CVTRS/CIP (Projected Budget Report) in the legislation?

- No. However, at a minimum, local units must submit a Projected Budget Report for the General Fund. The report shall cover a two year period; a local unit's current fiscal year and a projection for the immediately following fiscal year. Additionally, the Projected Budget Report shall include revenues and expenditures, and an explanation of the assumptions used for the projections. Budgeted items can be presented in a summary format, similar to the budget-to-actual report included in financial statements.

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5-2.　A local unit's fiscal year ends after the CVTRS/CIP due date and a budget for the immediately following fiscal year has not been developed or approved by the governing body. What should be submitted?

- Submit the local unit's current fiscal year budget and a **projection** for the immediately following fiscal year, with assumptions.

  Additionally, for CVTRS/CIP purposes, a local unit's immediately following fiscal year budget does not need to be approved by the governing body.

  Note: The Citizen's Guide will present different fiscal years than the Projected Budget Report. The Citizen's Guide contains historical fiscal year information while the Projected Budget Report contains current and projected fiscal years.

5-3.　Does the Projected Budget Report need to be approved by the governing body before submission? Do local units need to submit copies of the minutes indicating approval of the budget?

- No, the law does not require the governing body's approval of the Projected Budget Report or copies of the minutes. The report does not need to include the approved budget for the immediately following fiscal year but just a projection of the budget for the immediately following fiscal year.

5-4.　A local unit's current fiscal year ends after the December 1st deadline. What fiscal years should be included on the Projected Budget Report?

- A Projected Budget Report must include projections for the current fiscal year and the immediately following fiscal year. Whatever fiscal year a local unit is in at the time of submission is the current fiscal year.

5-5.　Is the Projected Budget Report a combined report of all governmental funds?

- It is recommended that the Projected Budget Report includes, at a minimum, the General Fund. However, a local unit may present additional funds.

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5-6.   What detail level needs to be provided on the Projected Budget Report?

- The Projected Budget Report can be presented in a summary format, for revenues and expenditures, similar to the budget-to-actual report included in a local unit's financial statements.

5-7.   Under the Expenditures heading on Treasury's Projected Budget Report template, what is included in Health and Welfare?

- Health and Welfare includes items such as health departments, boards and clinics, alcoholism and substance abuse, hospital, medical examiner, mental health, emergency services (ambulance), child care activities/human services, human services and medical care facility, area agency on aging, and veteran's programs.

5-8.   Does there need to be an assumption for every item on the Projected Budget Report?

- No, a local unit does not have to provide an assumption for every item. It is acceptable to provide general assumptions for revenues and expenditures or the whole Projected Budget Report. Each local unit can decide how to present the assumptions; however, there must be at least one assumption.